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## **FORMER HOUSTON BUILDING SERVICES DIRECTOR PLEADS GUILTY IN WIDE-RANGING PUBLIC CORRUPTION AND FRAUD SCHEME**

WASHINGTON, D.C. – The former Director of Building Services for the City of Houston has pleaded guilty to conspiracy and extortion charges in connection with a wide-ranging public corruption and fraud scheme, the Justice Department announced today.

Monique McGilbra, 41, of Houston, entered the plea today at federal court in Cleveland, Ohio to a Hobbs Act conspiracy charge in violation of 18 U.S.C. § 1951. Under an agreement with the government, McGilbra has also agreed to plead guilty in the Southern District of Texas to a conspiracy to deprive the city of Houston and its citizens of honest services, and to cooperate with the government in the prosecution of this case and other matters.

McGilbra is the third of six defendants to plead guilty to the charges returned by a grand jury in Cleveland in January. Brent Jividen, a Cleveland businessman, pleaded guilty to RICO conspiracy and honest services fraud in January 2005. Cleveland lawyer Ricardo Teamor pleaded guilty to a Hobbs Act extortion conspiracy charge earlier this month. All are cooperating with the government.

Also charged are Cleveland businessman Nate Gray, New Orleans businessman Gilbert Jackson, and Cleveland City Councilman Joseph Jones. Their trial is set for May 23, 2005.

According to the indictment, while employed as the Building Services Director for the City of Houston, McGilbra was responsible for overseeing the awarding and administering of all contracts having to do with construction and maintenance of city buildings, as well as energy projects. McGilbra was charged with and has admitted to accepting bribes for contracts for energy efficiency services and favorable treatment on contract issues paid by Nate Gray and Gilbert Jackson on behalf of Jividen's employer, an international corporation with offices in Cleveland and elsewhere. The indictment describes Gray as a local businessman who specializes in obtaining government contracts nationwide on his own behalf and on behalf of his clients and who had been hired by the corporation to assist in acquiring municipal contracts. The indictment describes Jackson as a businessman who was employed by a national design, engineering and consulting firm and who also conducted an independent business as a consultant through which he worked with co-defendants Gray and Jividen.

Also charged in the investigation is Oliver Spellman, who worked as Chief of Staff to the Mayor of Houston. He, along with Gray, introduced Jividen to McGilbra, who was responsible for selecting vendors to provide energy services to the City of Houston. In December 2004, Spellman also pleaded guilty to accepting bribes from Gray, while employed by the city of Houston, for helping Gray obtain favorable consideration with respect to a contract relating to a shuttle service at Houston Intercontinental (Bush) Airport.

McGilbra has admitted that in October 2001, Jividen and Gray spent over \$1,000 on behalf of the corporation to entertain McGilbra on a weekend in Cleveland, along with her boyfriend. During the trip, she stayed at the Ritz Carlton Hotel, and was entertained by Gray and Jividen at restaurants and a Cleveland Browns football game in an effort to enlist McGilbra's assistance in having the corporation named as a subcontractor on Houston's energy services contract. McGilbra admitted that in February 2002, she accepted an invitation made through Gray for McGilbra and her boyfriend to spend a weekend in New Orleans and attend the Super Bowl. Jackson allegedly acted as their host. The trip involved over \$4,000 in expenses. In addition, McGilbra admitted receiving a \$700 purse from Gray in exchange for official acts. McGilbra also admitted that her boyfriend entered into a paid consulting agreement with one of Gray's businesses, the payment of which was assured by Jividen on behalf of his employer. McGilbra admitted that she knew that this financial benefit to her boyfriend was intended to influence her in her official position to help Jividen's employer obtain a contract with Houston.

In an agreement to be entered in the U.S. District Court for the Southern District of Texas in Houston next week, McGilbra has agreed to plead guilty to a one-count information charging McGilbra with conspiring with others to commit honest services fraud involving other persons and entities.

The maximum sentence for the charges to which McGilbra pleaded guilty is 20 years in prison, a \$250,000 fine and three years of supervised release following any period of incarceration per count.

The case in Cleveland is being prosecuted by Assistant United States Attorneys Benita Y. Pearson and Steven M. Dettelbach of the U.S. Attorney's Office of the Northern District of Ohio and Mary K. Butler of the Criminal Division's Public Integrity Section in Washington, D.C., headed by Noel Hillman. The case in Houston is being prosecuted by Assistant U.S. Attorney Edward F. Gallagher of the United States Attorney's Office for the Southern District of Texas and James Crowell, IV of the Criminal Division's Public Integrity Section.

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